

Top UN aid official for greater oil sector investment in Iraq

UNITED NATIONS, Feb 26: Greater investment in Iraq's oil industry is absolutely essential to generate enough money to meet the country's needs for food and medicine, the head of the UN humanitarian aid programme in Iraq said Thursday, reports AP.

Benon Sevan told the Security Council that weak crude oil prices have undermined efforts to increase funding for humanitarian aid for 22 million Iraqis living under UN sanctions.

Similarly, efforts to shore up Iraq's dilapidated oil infrastructure by allowing Baghdad to purchase equipment and spare parts through the UN oil-for-food programme won't have any impact before March 2000, Sevan said.

The programme, launched in 1996, allows Iraq to sell limited amounts of oil — \$5.2 billion

over six months — to buy humanitarian aid. Of that, Iraq can purchase \$600 million to buy spare parts.

Sanctions imposed after Iraq's 1990 invasion of Kuwait cannot be lifted until UN weapons inspectors report Baghdad has destroyed its weapons of mass destruction.

Baghdad regards the oil-for-food programme as a tool wielded by Washington to justify the continuation of sanctions. It wants sanctions lifted immediately.

With pressure rising to lift or ease trade sanctions, the debate over whether and how to extend the oil-for-food programme beyond its current expiration May 25 is sure to encompass elements of the larger political struggle.

A panel of UN humanitarian experts, created after the December US-British airstrikes, is expected to hold its first

meeting next week and make recommendations on improving the humanitarian situation in Iraq by April 15.

Although Iraq is allowed to sell dirhams 5.2 billion in oil over six months, low oil prices mean that it will probably only generate \$3 billion by May, according to a report this week by Secretary-General Kofi Annan.

Since one-third of every oil-for-food dollar goes into a fund to compensate Gulf War victims, only about dirhams 2 billion is left for humanitarian aid.

Therefore, we are really not moving forward," Sevan said. "It is time for the council and governments concerned to start looking for alternative measures to start financing the requirements for the oil industry in Iraq in order to be able to increase the output and exports."

Europe is a very important part of the world and it is very stable. It is obvious we will be looking for critical mass there," he stressed.

France has already proposed doing away with the oil embargo.

In the briefing, Sevan dismissed a US proposal to allow Iraq to sell unlimited amounts of oil under the programme as "simply an academic exercise unless bold, imaginative and pragmatic alternatives for investment in Iraq's oil industry are considered by the council."

The value of total exports, comprising re-exports and domestic exports, in the month fell to 106.9 billion Hong Kong Dollars (13.8 billion US dollars), the Census and Statistics Department said.

Within this total, the value of re-exports decreased by 6.3 per cent to 92.9 billion dollars, while the value of domestic exports decreased by 8.9 per cent to 14.0 billion dollars.

The value of imports decreased by 5.0 per cent over a year earlier to 107.5 billion dollars in January 1999.

A government secretariat spokesman said the export performance in January was affected by moderated import demand in the United States and in a number of European markets.

He said import demand in Japan also remained "distrinctly weak."

An alliance of steel compa-

nies and trade unions mounted a high-profile campaign to pressure the US administration to take action. The initiative resulted in an announcement earlier this month by the Commerce Department of plans to slap "anti-dumping" duties on hot-rolled steel exported here from Brazil and Japan.

The department on Monday said it had worked out an agreement with Russia, also targeted by the US steel industry, under which Russian hot-rolled steel imports will be suspended for six months this year.

Steel imports from Japan dropped four per cent in January to 379,727 tonnes after falling 47.3 per cent in December.

Imports from Russia during January were down 70.3 per cent to 45,048 tonnes, compared with a 77.3 per cent decline in the previous month.

China to boost gold production

BEIJING, Feb 26: China will boost domestic gold production by a meagre 1.5 per cent this year in the hopes of curbing an increasing imbalance between supply and demand, official media reports said today, re-

ports AFP.

China's projected production of 175 tonnes of gold for 1999 — compared with last year's 172.8 tonnes — is in stark contrast to the 10 per cent annual growth rate of the past quarter century.

The declining demand for the precious metal is a result of the rapid increase in China's foreign exchange reserves in the post Mao period while the amount of gold reserves remained unchanged. Xinhua news agency said.

Prior to the 1980s, gold reserves had constituted as much as 90 per cent of China's flagging foreign exchange reserves.

Reckless mining and backward technology have also led to waste and limited production in many of the country's 1,200 gold mines, according to Liu Shan'en, Deputy Director of the Gold Economic Development Research Centre.

China's 397 tonnes of gold reserves now account for less than three per cent of the country's 140 billion dollars of foreign exchange reserves, the report said.

Much of the investment last year was through mergers and acquisitions, and foreign investors began to show an interest in new sectors such as mining and construction, it said.

However, economists said South Africa still had to do more to woo long-term capital, as investors were concerned about crime level and costly labour in the country.

Crime statistics show that South Africa has one of the worst rates for murder and rape in the world. The image was even more tarnished recently when a prominent Korean businessman was murdered in Johannesburg and dozens of American tourists were robbed at knife-point.

Other corners include labour policy, taxation, skills shortages, immigration hurdles and governance, business map said.

South Africa is battling a balance of payments and current account deficit and must borrow from abroad to finance the shortfall in domestic savings.

It needs capital to invest in the economy to lift growth, which slumped in the final quarter of last year into full recession.

Economists said the corporate tax reduction from 35 per cent to 30 per cent announced in the 1999/2000 budget last week would help create a favourable investment environment.

More bank mergers in Europe predicted

AMSTERDAM, Feb 26: The Chairman of ABN Amro Bank, Jan Kalff, yesterday predicted yet more mergers and takeovers in the European banking industry over the coming years, reports AFP.

"We are at the start and not

at the end of a wave of consolidations ... there will be an awful lot more in the future than there have been in the past," Kalff said during a press conference after the release of ABN Amro's 1998 results.

"We (ABN Amro) are going to concentrate especially on Europe and North America ... and particularly on the European," Kalff said, explaining that there were no longer any possibilities for expansion in the Dutch market.

"The European market is not as uniform as in the United States ... you sometimes have to start with a minority stake and increase towards a majority or otherwise from a partnership with another company."

ABN Amro missed out on two takeovers last year.

The bank was an unsuccessful candidate in the takeover of the French banking group Credit Industrial ET Commercial (CIC) when it was privatised in April.

"It is still possible to gain a million clients abroad, particularly through buying a bank," the head of the biggest Dutch bank said.

Kalff did not specify which countries ABN Amro would be focussing on, saying simply: "in Germany there are still about 1,000 banks, in France also, in Italy there are about 900. The number is far too high so there will be mergers and takeovers."

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Shipping Intelligence

| CHITTAGONG PORT | | | | | |
|-----------------|-----------------|---------------|-------------|-------------|-------------------------|
| Berth No | Name of vessels | Cargo | L port call | Local agent | Date of Leaving arrival |
| J/1 | Multon | Rice (P) | Kara | ESL | 30/1 28/2 |
| J/2 | Orient Bliss | Rice(P) | Kand | AASS | 02/02 1.3 |
| J/3 | Jiang Chuan | G | Shang | Bdship | 17/2 2/3 |
| J/4 | Leema | G | Sing | Prog | 20/2 2/3 |
| J/5 | Elkton | Wheat(G) | P Said | PSAL | 11/1 26/2 |
| J/7 | Sea World | Wheat(G) | K. Dia | Lams | R/a 26/2 |
| J/9 | Yang Lin | G | Sing | Bdship | 1/2 28/2 |
| J/10 | Gelogorly | Rice(P) | Kaki | SMSL | 7/2 2/3 |
| J/11 | Sylvia | Rice (G) | Kand | USTC | 30/1 24/2 |
| J/13 | Sea Success-1 | Cont | Sing | RSL | 20/2 28/2 |
| CCT/1 | Ge Mallard | Cont | Sing | QCSL | 19/2 27/2 |
| CCT/3 | Kota Singa | Cont | Sing | Pil | 17/2 26/2 |
| RM/15 | Albatross-III | Rice(P) | Kand | SMSL | 16/2 4/3 |
| TSP | Banglar Gourab | Wheat(G) | P. Phos | RSL | R/A |
| DOJ | Kyong Song | R. Phos Zahan | Mcve | ANCL | 9/2 1/3 |

Vessels due at outer anchorage:

| Name of vessels | Date of arrival | L port call | Local agent | Cargo | Loading port |
|--------------------|----------------------|-------------|-----------------|----------------|--------------|
| Sarah-1 | 27/2/99 | Kara | SMSL | Rice(P) | G |
| Halina | 26/2/99 | Kand | MHCSL | Rice (G) | - |
| Tai Dong Gang | 23/2/99 | Kand | USTC | Cement | - |
| Ocean Merit | 25/2/99 | - | Jaycee | Cement | - |
| Martina | 25/2/99 | - | Viking | Cement | - |
| Makassar | Express (cont) | 16/2 | Baridh | Cont | L/ Col |
| | 25/2/99 | - | Oil | G | - |
| Safe Star | 25/2/99 | - | - | - | - |
| Buxmoon | Cont(1) 20/2 | 27/2/99 | Sing | QCSL | L/ Sing |
| | 25/2/99 | - | Simi | Cont | For Scraping |
| Curv | 25/2/99 | - | - | - | - |
| Kota Anga | 28/2/99 | Sing | Pil (BD) | Cont | L/ Sing |
| (Cont) 17/2 | Augusta-M | 26/2/99 | Yang | OWSL | W/L J. good |
| (E/L) 17/2 | Steapan Geys | 26/2/00 | Mum | Cross | L/ Latt |
| Darya Ma | 27/2/99 | - | MSA | Wheat/P | Y. Peas |
| Handy Dale | 22/2/99 | Sing | RML | C. Clink (CCJ) | - |
| Qc tal (Cont) 14/2 | 28/2/99 | Sing | QCSL | cont | L/ Mgl |
| Bunga Mas Enam | 18/2/99 | Sing | EOSL | Cont | L/ Sing |
| (Cont) 18/2 | Brasil Azul (48) 4/2 | 27/2/99 | PSAL | Everett | G |
| Hyok Sin | 27/2/99 | - | Karna | Cement | - |
| Shu He Kou | 27/2/99 | - | (W/Ld P. Cargo) | - | - |
| Banglar Mamata | (24) 17/2 | 1/3/99 | Mong | BSC | G |
| Nurbulk Seraya | 1/3/99 | Mong | OWSL | G | L/ Iraq |
| Banga Birul | 2/3/99 | - | PSL | PSL | - |
| (Cont) 22/2 | Acacia (Cont) 22/2 | 2/3/99 | PSL | Cont | L/ Sing |
| Budi Teguh | 2/3/99 | Sing | RSL | Cont | L/ Sing |
| Banglar Shikha | 2/3/99 | Sing | RSL | Cont | L/ Sing |
| (Cont) 22/2 | Esco Virgo | 3/3/99 | PSL | GI Wt. | Cement |
| Dragon Brani | 22/2/99 | Sing | Rainbow | - | - |
| (Cont) 22/2 | Amtra-VII (48) 4/2 | 3/3/99 | Nol | cont | L/ Sing |
| Dewan-1 | 3/3/99 | - | AML | Rice(P) | - |
| Ingenuity | (Cont) 17/1 | 10/3/99 | Sing | RSL | Cont |
| Kota Berjaya | 10/3/99 | - | - | - | - |
| (Cont) 22/2 | Dragon Kalimantan | 4/3/99 | Sing | Pil (BD) | cont |
| (Cont) 22/2 | A.A. Venture | 5/3/99 | Nol | Cont | L/ sing G |
| Kota Cahaya | 5/3/99 | - | Rice(P) | - | - |
| (Cont) 22/2 | Banglar Maya | 6/3/99 | Pil (B) | Cont | for Repair |
| Save Pablo | 10/3/99 | BSC | - | - | L/ Sing |
| (from) 24/22/2 | 13/3/99 | Sing | Jf | Vehi | - |

Tanker due:

| Name of vessels | Cargo | Last port call | Local agent | Date of arrival |
|-----------------|---------|----------------|-------------|-----------------|
| Equator | 27/2/99 | - | - | Crude Oil |
| Sun Emerald | 26/2/99 | - | - | CPO (RM/4) |
| Graze | | | | |